is called SPICE, the Seniors Prescription Insurance Coverage Equity Act. Other colleagues have other ideas as well. I hope seniors across the country will consider this poster I have up here that says, ''Send In Your Prescription Drug Bill,'' to each of us in the Senate, Washington, DC 20510.

I am going to keep coming to the floor of the Senate, reading from these letters, reading from these accounts. Today you heard about an older person in Yoncalla, an older woman in southern Oregon literally with less than a couple hundred dollars a month left to live on when she is done paying for her prescription drug bill, and an elderly couple in Portland who worked hard all their lives, always played by the rules, who are spending more than half their income on prescription drugs.

I will wrap up with this point. We as a nation are just starting to have the debate about whether we can afford to cover prescription drugs. My view is we cannot afford not to cover prescription drugs. If that older woman in Yoncalla cannot get help with her prescriptions when she has diabetes and osteoporosis and she is taking eight medications, if that couple in Portland cannot afford their medications, all of the gerontological research proves what is going to happen. Those folks are going to get sicker. They are going to land in the hospital where they need much more expensive care under what is called Part A of the Medicare program.

I see my friend from Minnesota. He and I have worked often on these issues. The Presiding Officer of the Senate handled the Social Security issues in the House. We know what needs to be done. We know it needs to be done in a bipartisan way. We can only get important issues addressed in Washington, DC, if we work in a bipartisan way. That is what I have teamed up with Senator SNOWE for more than a year to do.

I hope, as I bring additional cases to the floor of the Senate and talk about the extraordinary suffering we are seeing among our seniors, that we can come together on a bipartisan basis to deal with this issue. I have spoken with Senator DASCHLE and Senator LOTT about it. I know Senator SNOWE is doing so as well. This is an issue to which every single Member of the Senate can point as an achievement if we come together and address it in a bipartisan way.

Towards that end, I intend to keep coming to this floor and describing these cases. I have believed since the days I was codirector of the Oregon Gray Panthers that this was an important issue to address. It becomes even more important by the day as these new drugs are key to keeping seniors well and keeping them from landing in the hospital and incurring greater expenses.

I hope seniors will take heed of this poster and send copies of their prescription drug bills to their Senators in Washington, DC 20510.

I will keep coming to the floor of this body again and again urging bipartisan support on this issue. It is my top priority for this session, and it ought to be a top priority for every Senator.

I look forward to working with my colleagues to have this issue addressed in this session of Congress and give our older people meaningful relief from their prescription drugs bills.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

DAIRY

Mr. GRAMS. Mr. President, I take this opportunity to address concerns about the direction our country is taking in agriculture policy for our Nation. It has been very frustrating to me that our Federal dairy policy has been driven by what I can only describe as urban myths about the supposed benefits of dairy compacts in our country. These myths, just like stories on the street, have been repeated so many times in Congress that they are assumed to be true, despite their total lack of a factual basis.

I would today like to discuss the myth that dairy compacts are necessary to provide an adequate supply of fresh, locally produced milk to consumers. As I have said before, I believe this assertion is a deliberate attempt to mislead consumers into believing that if we do not have compacts, there may not be milk in the dairy case the next time they go to the grocery store. Perhaps the statement is not a total deception because it says that the dairy compact is designed to guarantee fresh, locally produced milk. But as we enter the 21st century, we as consumers know that a product in the grocery store does not have to be produced locally to be ''fresh.'' If it is produced locally, all the better, but we regularly go to the grocery store and buy fresh, perishable food that comes from all over the United States, including fruits, vegetables, meats, poultry, and any of a number of other foods. Similarly, fresh milk and dairy products can now be safely and rapidly shipped all over the country in refrigerated trucks—there is no need to restrict interstate trade in our country to guarantee fresh milk to our consumers.

One of the reasons that America thrives economically is because we allow individuals to produce what they are most skilled at producing. And this principle extends to geographic regions of the country. As an example, Americans buy most of their citrus products from Florida and California, cotton and rice from the South, and potatoes from the West. Economists call this ''comparative advantage''—regions produce and sell whatever they are most efficient at producing, and everyone benefits because trade and efficiency is maximized. Lower price; better products to the consumer. It all seems very simple, but it is not allowed to work that way in our dairy industry.

The upper Midwest, due in part to its climate, low feed prices, and an abundant water supply happens to have a comparative advantage in milk and dairy products. However, unlike the rest of the country, it is not permitted to freely sell the product that it so efficiently produces. Instead, Congress has chosen to protect entire regions of the milk industry against competition from the upper Midwest through dairy compacts and/or outdated milk marketing orders.

Basically, in dairy, the Government is picking winners and losers, not who can produce the best, not who can be competitive, what area of the country it is. But under a Government program, the Government is saying who is a winner and who is a loser when it comes to the dairy industry.

Dairy compacts require that processors pay a minimum price for the milk they sell for fluid consumption. Compact proponents will claim that producers outside the compact region are not prevented from selling into the region, but for all practical purposes, this is exactly what it does. If you have a floor price, it eliminates the ability of lower cost producers to sell in that region. There is no incentive for processors to buy from producers outside the region because the price they pay is already set. So they are not able to buy at the lower price or more competitive supply, but because of the compact setting the price, that is where they buy it.

It is interesting that the argument that compacts are necessary to guarantee a supply of fresh milk to a region was also made to justify the unreasonably high support prices in the 1980s that resulted as you will remember, in massive government purchases of surplus dairy products. The Federal Government spent $2.6 billion on surplus purchases in 1983 alone, more than 12 percent of U.S. milk production. Congress consequently had to begin a dairy termination program which paid dairy farmers not to produce milk for 5 years.

Congress today is perpetuating the same myths as in past years, with the same predictable results of producer surpluses and higher milk prices to consumers. Upper Midwest producers could sell cheaper milk to consumers almost nationwide, but instead, not only can they not compete for markets outside the region, but their prices in cheese markets are depressed by the oversupply of production in the compact region that flood into the Midwest.

Finally, it appears that not only are dairy compacts not necessary to guarantee a fresh supply of milk to consumers, but they seem to only offer

Government protection to dairy farmers within the compact area and guarantee decreased consumption by families due to the high milk prices. If something costs more, you sell less of it, and milk is no different. For example, in 1998, each consumer drank an average of 23.8 gallons of fluid milk products. That is compared to 56.1 gallons of soft drinks, 15 gallons of fruit juices, and 14 gallons of bottled water. Moreover, beverage milk consumption declined from 28.6 gallons in 1975 to 23.9 gallons in 1997. This is not a trend we can ignore. If we went to encourage milk consumption, we cannot do so by artificially raising the price and keeping less expensive, domestically produced milk out of the market.

As we begin the second session of the 106th Congress, I ask my colleagues to be truthful in the dairy debate and not perpetuate the falsehood that compacts are necessary to ensure a fresh supply of milk to consumers. There are, unfortunately, other dairy myths to be exposed, so you can look forward to me returning to the Senate floor to make sure Congress and the American people learn the truth about our Federal dairy policy.

We need some fairness in our dairy policy.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

LONGEST ECONOMIC EXPANSION

Mr. CONRAD. Mr. President, we have now reached a milestone in our economic history with the report the other day that our economic expansion is now the Nation's longest. We have now enjoyed economic expansion of 107 months. That is the longest economic expansion in our Nation's history. I thought it might be useful to reflect on some of the policies that have contributed to that success.

First and foremost is the fiscal policy of the Nation. The policies that determine our economic success are the fiscal policy of the United States and the monetary policy of the United States.

The fiscal policy of America is controlled by the President, working with the Congress of the United States. That is the spending policy and the tax policy of America.

The monetary policy is controlled by the Federal Reserve Board. Of course, we had a vote this morning on the question of the continued leadership of Chairman Greenspan over the monetary policy of our country.

With respect to the fiscal policy of the country, I thought it would be useful to compare and contrast the records of our last three Presidents.

Under President Reagan, starting in 1981, we saw a dramatic increase in Federal budget deficits. In fact, they nearly tripled from $79 billion a year, when he came into office, to over $200 billion a year. Then we saw some improvement in the final 2 years of his administration.

Then, with President Bush, we saw a dramatic increase in our Federal budget deficits, going from $153 billion in his first year to $290 billion in his final year in office. At that point, we were advised that we could expect red ink for as far into the future as anybody could project. In fact, they were expecting, at that point, this year we would have budget deficits of over $600 billion if there was failure to act.

Thank goodness we did not fail to act because in 1993 President Clinton came into office, put forward an ambitious 5-year plan to reduce the budget deficit, and we were able to pass that plan. We were able to pass that plan; and for the next 5 years, under that 5-year plan, each and every year the budget deficit came down, and came down sharply, to $22 billion at the end of that 5-year plan.

At that point, we passed, on a bipartisan basis—unlike in 1993, where nobody on the other side of the aisle in either Chamber supported the 5-year plan put forward by President Clinton—but in 1997, we joined hands, on a bipartisan basis, to finish the job.

Indeed, we did finish the job, so that in 1998 and 1999 we saw unified budget surpluses. In fact, in 1999, we had a surplus of $124 billion, on a unified basis—that means counting all of the accounts of the Federal Government. And even better news; we were able to balance that year without counting Social Security.

This year, the year we are currently in, we anticipate a $176 billion unified budget surplus, again, without counting Social Security.

Those are very dramatic improvements that we have had in the fiscal policy of the United States.

I will go to this chart first because it shows the changes that were made in the two key elements in determining whether or not you have a budget deficit. The blue line is the outlays of the Federal Government; that is, the spending. The red line is the revenues. You can see, we had a big gap between the two for many years. That is why we had a budget deficit. We were spending more than we were taking in.

In 1997, when we passed that 5-year plan to close the gap, you can see from the chart we reduced expenditures and we raised revenue. That combination has eliminated the budget deficit. That is why we are in surplus today.

Let's go back to the chart that shows, on the spending side of the ledger, how things changed.

We are now at the lowest level of Federal spending in 25 years as measured against our gross domestic product, as measured against our national income, which is the fairest way to measure these things so you see changes over time, so that you are able to put in context the time value of money.

What you see is, we are now spending 18.7 percent of our national income on the Federal Government. That is, again, the lowest level since 1974, 25 years ago. If we stay on this course, you can see we will continue to see declines down to about 17 percent of our national income going to the Federal Government. That is a dramatic improvement over where we were back in 1992, when we were spending over 22 percent of our national income on the Federal Government.

Some have said: We have the highest taxes in our history.

Let me go back to the chart that shows revenue and spending. This, again, is measured against our gross domestic product, our national income.

The red line is the revenue line. It is true that the revenue line has gone up, just as the spending line has come down. That is how we balance the budget. We cut spending and we raised revenue so we could eliminate the deficit.

One of the key reasons we have more revenue is because the economy is doing well. It has been revived because we got our fiscal house in order in this country. Some say that translates into the highest taxes individuals have paid. That is not the case.

The fact is, the tax burden is declining for a family of four. This is not the Senator from North Dakota's analysis. This is the respected accounting firm of Deloitte & Touche, that compares the tax burden for a family earning $35,000 a year in 1979 to 1999. This chart shows their overall tax burden. This includes payroll taxes, income taxes. It shows that their tax burden has declined. The same is true of a family income of $85,000 a year. Their taxes have not gone up. Their taxes have gone down. Their taxes have been reduced.

Overall, revenue has increased because the economy is strengthened. Goodness knows, anybody who looks around at America's economy understands we are in the best shape we have been in in anybody's memory.

How do we keep this successful economy going? I think it is useful to reflect on how very important the successful economic policy we have been pursuing has been. It has produced the lowest unemployment rate in 41 years. This chart shows the dramatic improvement in the unemployment rate in this country. We have also experienced the lowest inflation rate in 33 years.

You remember we used to talk about the misery index. We used to combine the unemployment rate and the inflation rate and look at the so-called misery index. The misery index would be as favorable as it has been in almost anybody's lifetime because we have seen unemployment and the inflation rate come down dramatically.